



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY
820 CHANDLER STREET
FORT DETRICK, MD 21702-5014

MCMR-AAZ

13 March 2007

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Procurement Advisory Notice (PAN) 07-02
Principal Assistant Responsible for Contracting Plan for Administration and Surveillance
of Service Contracts

1. Introduction. The Deputy Assistant Secretary of the Army (Policy and Procurement) has required each Principal Assistant Responsible for Contracting (PARC) to develop a plan demonstrating compliance with the mandate that all service contracts in excess of \$2,500 appoint a certified Contracting Officer's Representative (COR) and contain a Quality Assurance Surveillance Plan (QASP). This PAN serves that purpose.

2. Background.

a. In the past four years, The Government Accounting Office (GAO) and the Department of Defense Inspector General have reported that contracts have been subjected to insufficient surveillance. The reports indicate the Department of Defense may be accepting substandard performance, paying for services not received, and awarding contracts to contractors with a history of substandard performance.

b. A recent GAO report linked the following four key factors to inadequate surveillance: (1) training personnel in how to conduct surveillance; (2) assigning qualified personnel at or prior to contract award; (3) holding personnel accountable for their surveillance duties; and (4) performing and accurately documenting surveillance throughout the period of the contract.

3. Plan of Action.

a. Effective immediately, every US Army Medical Research Acquisition Activity (USAMRAA) customer, both within and outside the US Army Medical Research and Materiel Command when submitting a procurement package for services with a value of \$2,500 or more shall include the nomination of a certified individual to serve in the appointment as a COR. The only certificate that shall be recognized by USAMRAA Contracting Officers to fulfill the requirements of this PAN is the certification obtained upon completion of Defense Acquisition University (DAU) on-line continuous learning module CLC 106 entitled "COR With a Mission Focus". This module is available in the DAU continuous learning center found at <http://learn.dau.mil>. DAU provides the participant with a certificate upon course completion. This course must be taken at

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least every three years thereafter by the COR. Each service contract file in excess of \$2,500 and each COR's personal file associated therewith must contain a copy of this current certificate. Additionally, within the first year of appointment, every COR is strongly encouraged to complete the two day USAMRMC COR Course presented by USAMRAA. Finally, in accordance with Under Secretary of Defense (Acquisition, Logistics, and Technology) guidance, a COR's contributions must be addressed in their annual performance appraisals. Therefore, USAMRAA Contracting Officers shall, when approached by rating officials of CORs for input into that individual's appraisal, timely provide such information.

b. Government contract quality assurance shall be performed at such times and places as may be necessary to determine that services conform to contract requirements. QASPs ensure the Government receives and pays for the acceptable quality level of services stated in the performance-based work statement of the contract. Effective immediately, QASPs shall be developed and appear in every service contract awarded by USAMRAA in excess of \$2,500. QASPs signify all work requiring surveillance, the method and frequency of surveillance, and designate the location or locations of surveillance. The level of surveillance in each QASP shall be commensurate with the dollar value, risk, complexity, and criticality of the acquisition. It is essential that contractor provided services be inspected in accordance with the QASP and that this be accomplished by qualified, trained CORs. Instruction on writing a QASP can be found at <https://learn.dau.mil/html/clc/Register.jsp>, which is a link to the DAU continuous learning module CLC 013, "Performance-Based Service Acquisition". Subpart 46.4 of the Federal Acquisition Regulation also furnishes guidance on the development of QASPs. Additionally, USAMRAA Contracting Officers stand ready to provide guidance to customers pertaining to QASP development whenever approached.

4. Point of Contact. Raegon B. Clutz, Chief, Policy Branch, USAMRAA.
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